**FRASERS HOSPITALITY TRUST**
**FINANCIAL STATEMENTS ANNOUNCEMENT**
**FOR THE FIRST QUARTER ENDED 31 DECEMBER 2016**

Frasers Hospitality Trust ("FHT") is a stapled group comprising Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and Frasers Hospitality Business Trust ("FH-BT"). FHT is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate located anywhere in the world except Thailand, which is used primarily for hospitality and/or hospitality-related purposes, as well as real estate-related assets in connection to the foregoing.

The portfolio of FHT comprises 15 properties, nine hotels (the "Hotels") and six serviced residences (the "Serviced Residences", and together with the Hotels, the "Properties"), with a total of 3,072 hotel rooms and 842 serviced residence units. The Properties are located in Singapore, Australia, the United Kingdom, Japan, Malaysia and Germany.

| Hotels | Market Segment* | Number of Rooms |
|---|---|---|
| InterContinental Singapore | Luxury | 406 |
| Sofitel Sydney Wentworth | Luxury | 436 |
| Novotel Rockford Darling Harbour | Mid-scale | 230 |
| Park International London | Mid-scale | 171 |
| Best Western Cromwell London | Mid-scale | 85 |
| ANA Crowne Plaza Kobe | Upper Upscale | 593 |
| The Westin Kuala Lumpur | Upper Upscale | 443 |
| Maritim Hotel Dresden | Upscale | 328 |
| Novotel Melbourne on Collins | Upscale | 380 |
| **Total** | | **3,072** |

| Serviced Residences | Market Segment* | Number of Units |
|---|---|---|
| Fraser Suites Singapore | Upper Upscale | 255 |
| Fraser Suites Sydney | Upper Upscale | 201 |
| Fraser Place Canary Wharf | Upper Upscale | 108 |
| Fraser Suites Queens Gate | Upper Upscale | 105 |
| Fraser Suites Glasgow | Upper Upscale | 98 |
| Fraser Suites Edinburgh | Upper Upscale | 75 |
| **Total** | | **842** |

** Based on STR Global Chain Scales*

**Distribution Policy**

Distributions from FHT comprises distributions from FH-REIT and FH-BT.

FH-REIT's distribution policy is to distribute 100.0% of FH-REIT's Distributable Income for the period from the Listing Date to 30 September 2015 and at least 90.0% of its Distributable Income thereafter.

The distribution will be made on a semi-annual basis for the six-month periods ending 31 March, and 30 September. Distributions, when paid, will be in Singapore dollars.

FH-BT's distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by FH-BT will be at the sole discretion of Board of Directors of Frasers Hospitality Trust Management Pte. Ltd. ("Trustee-Manager").

**1 (a) (i) Consolidated Statements of Total Return and Statements of Comprehensive Income for 1Q 2017 and 1Q 2016**

| | Note | FHT | FH-REIT | FH-BT[(a)] | FHT | FH-REIT | FH-BT[(a)] | FHT | FH-REIT | FH-BT |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1Q 2017 | | | 1Q 2016 | | | Variance | | |
| | | 1 Oct 2016 to 31 Dec 2016 | | | 1 Oct 2015 to 31 Dec 2015 | | | Increase/(Decrease) | | |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | % | % | % |
| Master lease rental | (b) | 32,281 | 35,508 | - | 31,379 | 31,379 | - | 2.9 | 13.2 | - |
| Room revenue | | 5,753 | - | 5,753 | - | - | - | 100.0 | 0.0 | 100.0 |
| Food & beverage revenue | | 1,268 | - | 1,268 | - | - | - | 100.0 | 0.0 | 100.0 |
| Other income | | 252 | - | 252 | - | - | - | 100.0 | 0.0 | 100.0 |
| **Gross revenue** | | **39,554** | **35,508** | **7,273** | **31,379** | **31,379** | **-** | **26.1** | **13.2** | 100.0 |
| Property tax | | (2,513) | (2,513) | - | (2,320) | (2,320) | - | 8.3 | 8.3 | - |
| Property insurance | | (344) | (344) | - | (346) | (346) | - | (0.6) | (0.6) | - |
| Property management fee | | (1,402) | (1,402) | - | (1,556) | (1,556) | - | (9.9) | (9.9) | - |
| Other property expenses | | (945) | (945) | - | (828) | (828) | - | 14.1 | 14.1 | - |
| Operations and maintenance expenses | | (2,821) | - | (6,264) | - | - | - | 100.0 | 0.0 | 100.0 |
| Marketing expenses | | (560) | - | (560) | - | - | - | 100.0 | 0.0 | 100.0 |
| Administrative expenses | | (454) | - | (454) | - | - | - | 100.0 | 0.0 | 100.0 |
| **Property operating expenses** | | **(9,039)** | **(5,204)** | **(7,278)** | **(5,050)** | **(5,050)** | **-** | **79.0** | **3.0** | **100.0** |
| **Net property income** | | **30,515** | **30,304** | **(5)** | **26,329** | **26,329** | **-** | **15.9** | **15.1** | **100.0** |
| Depreciation | (c) | (1,591) | - | (666) | - | - | - | 100.0 | - | 100.0 |
| Acquisition fee paid in Stapled Securities | (d) | (2,447) | (2,413) | (34) | - | - | - | 100.0 | 100.0 | 100.0 |
| REIT Manager's management fee | | (1,400) | (1,400) | - | (2,030) | (2,030) | - | (31.0) | (31.0) | - |
| Trustee-Manager's management fee | | (19) | - | (19) | - | - | - | 100.0 | - | 100.0 |
| Other management fee | | (1,251) | (1,251) | - | (838) | (838) | - | 49.3 | 49.3 | - |
| Trustees' fee | | (124) | (124) | - | (109) | (109) | - | 13.8 | 13.8 | - |
| Other trust expenses | (e) | (1,267) | (1,243) | (26) | (542) | (541) | (1) | 133.8 | 129.8 | 2,500.0 |
| Non-capitalisable expenses in relation to asset acquisition and Rights Issue | (f) | (493) | (428) | (65) | - | - | - | 100.0 | 100.0 | 100.0 |
| Other income | | - | - | - | 3 | 3 | - | (100.0) | (100.0) | - |
| Payment top-up | (g) | - | - | - | 2,660 | 2,660 | - | (100.0) | (100.0) | - |
| Finance income | | 106 | 103 | 3 | 77 | 77 | - | 37.7 | 33.8 | 100.0 |
| Amortisation of debt upfront costs | | (421) | (421) | - | (420) | (420) | - | 0.2 | 0.2 | - |
| Finance costs | (h) | (4,358) | (4,358) | - | (4,780) | (4,780) | - | (8.8) | (8.8) | - |
| **Total return before foreign exchange differences, fair value changes and tax** | | **17,250** | **18,769** | **(812)** | **20,350** | **20,351** | **(1)** | **(15.2)** | **(7.8)** | **81,100.0** |
| Foreign exchange gain/(loss), net | | 729 | 730 | (1) | (15) | (15) | - | (4960.0) | (4966.7) | 100.0 |
| Net change in fair value of investment properties / property, plant and equipment | (i) | (11,941) | (11,941) | - | - | - | - | 100.00 | 100.0 | - |
| Net change in fair value of derivative financial instruments | (j) | 10,882 | 10,882 | - | 1,547 | 1,547 | - | 603.4 | 603.4 | - |
| Realised loss on derivative financial instruments, net | (k) | (323) | (323) | - | (179) | (179) | - | 80.4 | 80.4 | - |
| **Total return for the Period before tax** | | **16,597** | **18,117** | **(813)** | **21,703** | **21,704** | **(1)** | **(23.5)** | **(16.5)** | **81,200.0** |
| Taxation | (l) | (1,265) | (1,261) | (4) | (1,386) | (1,386) | - | (8.7) | (9.0) | 100.0 |
| **Total return for the Period after tax** | | **15,332** | **16,856** | **(817)** | **20,317** | **20,318** | **(1)** | **(24.5)** | **(17.0)** | **81,600.0** |
| **Other comprehensive income** | | | | | | | | | | |
| **Items that may be reclassified subsequently to statement of total return:** | | | | | | | | | | |
| Effective portion of changes in fair value change of cash flow hedges | (m) | 5,350 | 5,350 | - | 2,414 | 2,414 | - | 121.6 | 121.6 | - |
| Net change in fair value of cash flow hedges reclassified to total return | | (902) | (902) | - | (609) | (609) | - | 48.1 | 48.1 | - |
| Foreign currency translation differences | (n) | (20,527) | (20,529) | - | (4,163) | (4,163) | - | 393.1 | 393.1 | - |
| **Total comprehensive income for the Period** | | **(747)** | **775** | **(817)** | **17,959** | **17,960** | **(1)** | **(104.2)** | **(95.7)** | **81,600.0** |

**1 (a) (ii) Consolidated Distribution Statements for 1Q 2017 and 1Q 2016**

**Reconciliation of total return to income available for distribution**

| | Note | FHT | FH-REIT | FH-BT | FHT | FH-REIT | FH-BT | FHT | FH-REIT | FH-BT |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1Q 2017 | | | 1Q 2016 | | | Variance | | |
| | | 1 Oct 2016 to 31 Dec 2016 | | | 1 Oct 2015 to 31 Dec 2015 | | | Increase/(Decrease) | | |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | % | % | % |
| **Total return for the Period after tax** | | **15,332** | **16,856** | **(817)** | **20,318** | **20,318** | - | **(24.5)** | **(17.0)** | **100.0** |
| **(Non-taxable) / non-tax deductible items and other adjustments:** | | | | | | | | | | |
| Acquisition fee paid in Stapled Securities | | 2,447 | 2,413 | 34 | - | - | - | 100.0 | 100.0 | 100.0 |
| Depreciation | | 1,591 | - | 666 | - | - | - | 100.0 | - | 100.0 |
| Amortisation of debt upfront costs | | 421 | 421 | - | 420 | 420 | - | 0.2 | 0.2 | - |
| Amortisation of other assets | | 18 | 18 | - | - | - | - | 100.0 | 100.0 | - |
| Foreign exchange loss, net | | 56 | 56 | 1 | 25 | 25 | - | 124.0 | 124.0 | 100.0 |
| Non-capitalisable expenses in relation to assets acquisition and Rights Issue | | 493 | 428 | 65 | - | - | - | 100.0 | 100.0 | 100.0 |
| Net change in fair value of investment properties / property, plant and equipment | | 11,941 | 11,941 | - | - | - | - | 100.0 | 100.0 | - |
| Net change in fair value of derivative financial instruments | | (10,882) | (10,882) | - | (1,547) | (1,547) | - | 603.4 | 603.4 | - |
| Other management fee payable in Stapled Securities | **(o)** | 1,177 | 1,177 | - | 768 | 768 | - | 53.3 | 53.3 | - |
| Property management fee payable in Stapled Securities, net of withholding tax | **(p)** | 1,389 | 1,389 | - | 1,551 | 1,551 | - | (10.4) | (10.4) | - |
| REIT Manager's management fee payable in Stapled Securities | | 1,400 | 1,400 | - | 2,030 | 2,030 | - | (31.0) | (31.0) | - |
| Trustee Manager's management fee payable in Stapled Securities | | 19 | - | 19 | - | - | - | 100.0 | - | 100.0 |
| Trustee's fee in relation to FH-REIT | | 72 | 72 | - | 64 | 64 | - | 12.5 | 12.5 | - |
| Other adjustments | **(q)** | 59 | 59 | 217 | 47 | 47 | - | 25.5 | 25.5 | 100.0 |
| **Net effect of (non-taxable) / non-tax deductible items and other adjustments** | | **10,201** | **8,492** | **1,002** | **3,358** | **3,358** | **-** | **203.8** | **152.9** | **100.0** |
| **Income available for distribution** | **(r)** | **25,533** | **25,348** | **185** | **23,676** | **23,676** | **-** | **7.8** | **7.1** | **100.0** |
| **Income available for distribution attributable to:** | | | | | | | | | | |
| - Stapled Securityholders | | 24,411 | 24,226 | 185 | 23,676 | 23,676 | - | 3.1 | 2.3 | 100.0 |
| - Perpetual Securities holders | | 1,122 | 1,122 | - | - | - | - | 100.0 | 100.0 | - |
| | | **25,533** | **25,348** | **185** | **23,676** | **23,676** | **-** | **7.8** | **7.1** | **100.0** |

**Footnotes:**

(a) On 19 and 20 October 2016, FHT completed the acquisitions of Novotel Melbourne on Collins and the Hotel Assets. FH-REIT, through its indirect wholly-owned subsidiary, acquired Novotel Melbourne on Collins, located in Australia. Correspondingly in the 4Q 2016, the FH-BT Trustee-Manager also activated the FH-BT (which was previously dormant). The activation was required to enable FH-BT, through its indirect wholly-owned subsidiary, to become the master lessee of the Novotel Melbourne on Collins. Accordingly, the entire operating results of Novotel Melbourne on Collins for the period 20 October 2016 to 31 December 2016 has been included in the first quarter results of FH-BT. As FH-BT was only activated at the previous year end, there were no prior period comparatives.

(b) The master lease rental earned by FH-REIT from FH-BT is eliminated at FHT level. Consequently, only the income arising from the hotel operations of Novotel Melbourne on Collins are reflected at FHT level.

(c) Novotel Melbourne on Collins has been classified as property, plant and equipment in FHT's financial statement. The depreciation expense relates to the depreciation of the building and furniture, fittings and equipment of Novotel Melbourne on Collins for the period from 20 October 2016 to 31 December 2016. FHT commenced depreciating its property, the Novotel on Collins which is recorded as property, plant and equipment in its financial statement. A depreciation expense of S$0.9 million relating to the building was recorded in 1Q 2017. In addition, the depreciation expense of S$0.7 million was recorded in 1Q 2017 at FH-BT relating to property, plant and equipment of the Novotel Melbourne on Collins.

(d) The acquistion fee paid to FHT Australia Management Pty Ltd ("MIT Manager") and Trustee-Manager in stapled securities were in relation to the acquisition of the Novotel Melbourne on Collins and the Hotel Assets respectively as announced by FHT on SGX-ST on 24 October, 31 October and 30 December 2016.

(e) Other trust expenses mainly relates to professional fees, audit fees, tax fees and adminstrative expenses. The expenses were higher in 1Q 2017 mainly due to higher accrual of legal fees and other professional fees for proposed amendments to various trust deeds and other matters.

(f) The expenses mainly comprised professional fees and miscellaneous expenses incurred in relation to (a) the underwritten and renounceable right issue (the "Right Issue") of 441,549,281 new Stapled Securities in FHT which was launched and announced on the SGX-ST on 9 September 2016 (the "Launch Announcement") and completed on 17 October 2016; and (b) acquisition of Novotel Melbourne on Collins and the related Hotel Assets as announced in the Launch Announcement.

(g) Included in 1Q 2016 was payment top-up comprising (a) S$2.33 million and (b) S$0.33 million in relation to InterContinental Singapore and Fraser Suites Singapore respectively. The payment top-up had been fully paid for Fraser Suites Singapore and InterContinental Singapore in 1Q 2016 and 2Q 2016 respectively.

(h) Finance costs comprise interest expense on FH-REIT Group's borrowings in SGD, JPY, MYR and AUD as well as net interest expense or income arising from the IRS and cross currency interest swap contracts. Interest expense was lower in 1Q 2017 mainly due to new cross currency swaps which resulted in net interest income. As at 31 December 2016, 87.8% of FH-REIT's Group debt portfolio was secured at fixed interest rates with remaining 12.2% at floating interest rates.

(i) The net change in fair value of investment properties/property, plant and equipment relates to the fair value loss arising from measuring the Novotel Melbourne on Collins at its acquistion price which approximates its fair value.

(j) This relates to net unrealised gain arising mainly from fair valuation of the JPYSGD cross currency swap.

(k) This relates to net realised loss arising from the settlement of foreign currency forward contracts.

(l) This relates to tax charge for 1Q 2017.

(m) This relates to fair value gain arising from the IRS contracts.

(n) This relates to exchange differences arising from translation of the results and the financial position of all the Group entities with functional currencies other than the Singapore dollar. The foreign currency translation loss in 1Q 2017 was mainly due to appreciation of GBP against SGD, which was offset by the depreciation of AUD, EUR, JPY and MYR against SGD. The fair value changes in the cross currency swap contracts which are classified as net investment hedges are recorded in foreign currency translation reserve at the FHT level.

(o) MIT Manager's management fee which is payable in Stapled Securities.

(p) Property management fee includes service residences management fee and trademark licence fee which are paid and payable in Stapled Securities.

(q) Other adjustments are in relation to other non-tax deductible and non-taxable items.

(r) Distribution of FHT represents the aggregate of distributions by FH-REIT and FH-BT.

**1 (b) (i) Statements of Financial Position**

| | Note | FHT | FH-REIT | FH-BT [(a)] | FHT | FH-REIT | FH-BT |
|---|---|---|---|---|---|---|---|
| | | 31 Dec 2016 | | | 30 Sep 2016 | | |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Non-current assets** | | | | | | | |
| Investment properties | | 2,041,983 | 2,284,877 | - | 2,058,413 | 2,058,413 | - |
| Derivative financial instruments | (b) | 986 | 986 | - | 61 | 61 | - |
| Property, plant and equipment | (c) | 247,710 | - | 5,725 | - | - | - |
| Rental deposits | (d) | - | - | 4,083 | - | - | - |
| | | 2,290,679 | 2,285,863 | 9,808 | 2,058,474 | 2,058,474 | - |
| **Current assets** | | | | | | | |
| Prepayments | | 1,578 | 1,502 | 76 | 1,319 | 1,319 | - |
| Inventories | | 58 | - | 58 | - | - | - |
| Other assets | | 176 | 176 | - | 194 | 194 | - |
| Trade and other receivables | (e) | 5,532 | 5,388 | 670 | 33,813 | 33,813 | 605 |
| Derivative financial instruments | | 349 | 349 | - | 2,813 | 2,813 | - |
| Cash and cash equivalents | | 62,414 | 59,840 | 2,574 | 64,385 | 64,381 | 4 |
| | | 70,107 | 67,255 | 3,378 | 102,524 | 102,520 | 609 |
| **Total assets** | | **2,360,786** | **2,353,118** | **13,186** | **2,160,998** | **2,160,994** | **609** |
| **Current liabilities** | | | | | | | |
| Trade and other payables | (f) | 22,296 | 18,589 | 4,445 | 20,437 | 20,423 | 619 |
| Deferred income | | 672 | 672 | - | 678 | 678 | - |
| Derivative financial instruments | | 383 | 383 | - | 2,664 | 2,664 | - |
| Borrowings | (g) | 114,847 | 114,847 | - | 128,925 | 128,925 | - |
| Income tax payables | | 5,451 | 5,451 | - | 5,312 | 5,312 | - |
| | | 143,649 | 139,942 | 4,445 | 158,016 | 158,002 | 619 |
| **Net current liabilities** | (h) | **(73,542)** | **(72,687)** | **(1,067)** | **(55,492)** | **(55,482)** | **(10)** |
| **Non-current liabilities** | | | | | | | |
| Other payables | | 191 | - | 191 | - | - | - |
| Borrowings | (g) | 677,938 | 677,938 | - | 681,082 | 681,082 | - |
| Rental deposits | | 21,149 | 25,232 | - | 21,551 | 21,551 | - |
| Deferred income | | 10,387 | 10,387 | - | 10,404 | 10,404 | - |
| Derivative financial instruments | (i) | 5,820 | 5,820 | - | 16,746 | 16,746 | - |
| Deferred tax liabilities | | 29,125 | 29,125 | - | 29,049 | 29,049 | - |
| | | 744,610 | 748,502 | 191 | 758,832 | 758,832 | - |
| **Total Liabilities** | | **888,259** | **888,444** | **4,636** | **916,848** | **916,834** | **619** |
| **Net assets** | | **1,472,527** | **1,464,674** | **8,550** | **1,244,150** | **1,244,160** | **(10)** |
| **Represented by:** | | | | | | | |
| Stapled Securities in issue | | 1,479,357 | 1,469,957 | 9,400 | 1,202,801 | 1,202,791 | 10 |
| Issue costs | | (25,818) | (25,813) | (5) | (23,482) | (23,482) | - |
| Revenue reserves | | 31,391 | 32,935 | (837) | 60,054 | 60,074 | (20) |
| Hedging reserve | | 108 | 108 | - | (4,340) | (4,340) | - |
| Foreign currency translation reserve | | (111,669) | (111,671) | (8) | (91,142) | (91,142) | - |
| **Stapled Securityholders' funds** | | **1,373,369** | **1,365,516** | **8,550** | **1,143,891** | **1,143,901** | **(10)** |
| **Perpetual Securities holders' funds** | (j) | **99,158** | **99,158** | **-** | **100,259** | **100,259** | **-** |
| **Total Equity** | | **1,472,527** | **1,464,674** | **8,550** | **1,244,150** | **1,244,160** | **(10)** |

**Footnotes:**

(a) The Statement of Financial Position of FH-BT relates to the hotel operations of Novotel Melbourne on Collins. No prior period comparatives are presented as the hotel business was only acquired on 19 October 2016.

(b) As at 31 December 2016, derivative financial instruments (non-current assets) mainly relate to fair value of the EURSGD cross currency swap and certain IRS contracts.

(c) In FHT's financial statements, the property, plant and equipment relates to the land, building, furniture, fittings and equipment of Novotel Melbourne on Collins. This hotel is classified as property held for own use as an owner-occupied property instead of as an investment property. Accordingly, we have treated this hotel as property, plant and equipment and applied the revaluation model of FRS *16 Property, Plant and Equipment* where the asset is depreciated during the period and revalued at the end of each reporting period.

(d) The rental deposit comprises 8 months of fixed rent under the Novotel Melbourne on Collins Master Lease Agreement ("MLA") whereby FH-BT (through its indirectly wholly-owned subsidiary FH-BT NMCS Operations Pty Ltd) pays the rental deposit to FH-REIT (through its indirectly wholly-owned subsidiary FHT Melbourne Trust 1).

(e) The decrease was mainly due to utilisation of the 10% deposit amounting to A$23.7million for the acquisitions of Novotel Melbourne on Collins and the Hotel Assets which were completed on 19 and 20 October 2016 respectively.

(f) Trade and other payables of FH-REIT mainly comprise trade creditors, GST payable, provision for withholding tax and property tax, accruals for interest expense payable to banks, accruals for professional fees and accruals for Frasers Hospitality Asset Management Pte. Ltd. ("REIT Manager") and property management fee.

(g) The short-term unsecured borrowing of S$14.2 millon drawn from a revolving credit facility of S$25 million was repaid during the quarter. For the breakdown of total borrowings into short-term and long-term, please refer to 1(b)(ii) below.

(h) The net current liability position as at 31 December 2016 was due to Facility A of the S$615 million Term Loan Facilities due within the next 12 months.

(i) Derivative financial instruments (non-current liabilities) relate to fair value of certain currency swap and IRS contracts.

(j) This relates to S$100 million of fixed rate subordinated perpetual securities issued in May 2016. The decrease in balance was due to a distribution made to to perpetual securities holders on 14 November 2016.

**1 b (ii) Aggregate Amount of Borrowings**

| | FHT | | FHT | |
|---|---|---|---|---|
| | As at 31 Dec 2016 | | As at 30 Sep 2016 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Amount repayable in one year or less, or on demand | - | 114,847[1] | - | 128,925[1] |
| Amount repayable after one year * | 30,528[2] | 647,410[3] | 31,294[2] | 649,788[3] |

* net of transaction costs

**Details of borrowings and collateral:**

(1) The unsecured borrowing was drawn from Facility A of S$615 million Term Loan Facilities due on 14 July 2017.

(2) The secured borrowing was drawn under the MYR95 million Senior Bond and the interest rate on these borrowings is 4.9% p.a.. The Senior Bond will mature 5 years from 14 July 2014 and is secured by the property, The Westin Kuala Lumpur.

(3) The unsecured borrowings were drawn from (i) Facility B of S$615 million of Term Loan Facilities with loan maturities of five-year terms from 14 July 2014, (ii) the JPY2.35 billion Kobe Excellence TMK series 1 Bonds maturing 5 years from 14 July 2014 and (iii) A$117.2 million of Term Loan Facility maturing 3 years from 7 July 2015.

**1 (c) Consolidated Cash Flows Statements**

| | Note | FHT | FH-REIT | FH-BT | FHT | FH-REIT | FH-BT |
|---|---|---|---|---|---|---|---|
| | | 1Q 2017 | | | 1Q 2016 | | |
| | | 1 Oct 2016 to 31 Dec 2016 | | | 1 Oct 2015 to 31 Dec 2015 | | |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | | |
| **Total return for the Period before tax** | | **16,597** | **18,117** | **(813)** | **21,703** | **21,704** | **(1)** |
| **Adjustments for:** | | | | | | | |
| Acquisition fee paid in Stapled Securities | | 2,447 | 2,413 | 34 | - | - | - |
| Amortisation of other assets | | 18 | 18 | - | - | - | - |
| Amortisation of debt upfront costs | | 421 | 421 | - | 420 | 420 | - |
| Depreciation | | 1,591 | - | 666 | - | - | - |
| Finance costs | | 4,358 | 4,358 | - | 4,780 | 4,780 | - |
| Finance income | | (106) | (103) | (3) | (77) | (77) | - |
| Net change in fair value of derivative financial instruments | | (10,882) | (10,882) | - | (1,547) | (1,547) | - |
| Net change in fair value of change in investment properties / property, plant and equipment | | 11,941 | 11,941 | - | - | - | - |
| Other management fee paid and payable in Stapled Securities | | 1,177 | 1,177 | - | 768 | 768 | - |
| Property management fee paid and payable in Stapled Securities | | 1,389 | 1,389 | - | 1,556 | 1,556 | - |
| REIT Manager's management fee paid and payable in Stapled Securities | | 1,400 | 1,400 | - | 2,030 | 2,030 | - |
| Trustee-Manager's management fee payable in Stapled Securities | | 19 | - | 19 | - | - | - |
| Unrealised (gain)/loss on foreign exchange, net | | (46) | (46) | (1) | 12 | 12 | - |
| **Cash generated from/(used in) operations before working capital changes** | | **30,324** | **30,203** | **(98)** | **29,645** | **29,646** | **(1)** |
| **Changes in working capital:** | | | | | | | |
| Prepayments | | (154) | (183) | 29 | 515 | 515 | - |
| Inventories | | (13) | - | (13) | - | - | - |
| Trade and other receivables | | 4,448 | 4,298 | 228 | 1,123 | 1,123 | - |
| Trade and other payables | | 2,510 | 2,268 | 323 | (1,542) | (1,543) | 1 |
| Rental deposits | | - | 4,152 | (4,092) | 4,091 | 4,091 | - |
| Deferred income | | (5) | (5) | - | 1,187 | 1,187 | - |
| **Cash generated from/(used in) operations** | | **37,110** | **40,733** | **(3,623)** | **35,019** | **35,019** | **-** |
| Tax paid | | (1,637) | (1,637) | (4) | (139) | (139) | - |
| Interest income received | | 106 | 103 | 3 | 77 | 77 | - |
| **Net cash generated from/(used in) operating activities** | | **35,579** | **39,199** | **(3,624)** | **34,957** | **34,957** | **-** |

**1 (c) Consolidated Cash Flows Statements (Cont'd)**

| | Note | FHT | FH-REIT | FH-BT | FHT | FH-REIT | FH-BT |
|---|---|---|---|---|---|---|---|
| | | 1Q 2017 | | | 1Q 2016 | | |
| | | 1 Oct 2016 to 31 Dec 2016 | | | 1 Oct 2015 to 31 Dec 2015 | | |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | |
| Additions to investment properties | | (905) | (905) | - | (2,042) | (2,042) | - |
| Acquisition of hotel assets, net of cash | | (2,762) | - | (2,762) | - | - | - |
| Purchase of property, plant & equipment | | (231,457) | (231,120) | (333) | - | - | - |
| **Net cash used in investing activities** | | **(235,124)** | **(232,025)** | **(3,095)** | **(2,042)** | **(2,042)** | **-** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | |
| Distribution paid to Stapled Securityholders | | (42,873) | (42,873) | - | (21,539) | (21,539) | - |
| Distribution paid to Perpetual Securities holders | | (2,243) | (2,243) | | - | - | - |
| Finance costs paid | | (3,782) | (3,782) | - | (4,522) | (4,522) | - |
| Issue costs in relation to Private Placement | | - | - | - | (89) | (89) | - |
| Issue costs in relation to Perpetual Securities | | (43) | (43) | - | - | - | - |
| Issue costs in relation to Rights Issue | | (2,708) | (2,641) | (67) | - | - | - |
| Proceeds from Rights Issue | **(a)** | 266,254 | 256,898 | 9,356 | - | - | - |
| Repayment of borrowings | | (14,150) | (14,150) | - | - | - | - |
| **Net cash generated from/(used in) financing activities** | | **200,455** | **191,166** | **9,289** | **(26,150)** | **(26,150)** | **-** |
| **Net (decrease)/increase in cash and cash equivalents** | | **910** | **(1,660)** | **2,570** | **6,765** | **6,765** | **-** |
| Cash and cash equivalents at beginning of the financial Period/year | | 64,385 | 64,381 | 4 | 52,308 | 52,298 | 10 |
| Effect of exchange rate changes on cash and cash equivalents | | (2,881) | (2,881) | - | (267) | (267) | - |
| **Cash and cash equivalents at end of the financial Period/year** | | **62,414** | **59,840** | **2,574** | **58,806** | **58,796** | **10** |

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

| | FHT | FH-REIT | FH-BT | FHT | FH-REIT | FH-BT |
|---|---|---|---|---|---|---|
| | 1Q 2017 | | | 1Q 2016 | | |
| | 1 Oct 2016 to 31 Dec 2016 | | | 1 Oct 2015 to 31 Dec 2015 | | |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Cash and cash equivalent comprise:** | | | | | | |
| Cash and bank balances | 58,673 | 56,099 | 2,574 | 55,034 | 55,024 | 10 |
| Fixed deposits | 3,741 | 3,741 | - | 3,772 | 3,772 | - |
| Cash and cash equivalents | **62,414** | **59,840** | **2,574** | **58,806** | **58,796** | **10** |

**Footnotes:**

**(a)** On 17 October 2016, FHT issued 441,549,281 Rights Stapled Securities pursuant to the Rights Issue at an Issue Price of S$0.603 per Rights Stapled Securities. The gross proceeds from the Rights Issue was S$266.3 million.

**1 (d) (i) Statements of Changes in Stapled Securityholders' Funds**

| | | Attributable to Stapled Securityholders of the Trust | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **FHT** | **Note** | **Stapled securities in issue** | **Issue costs** | **Revenue reserves** | **Hedging reserve** | **Foreign currency translation reserve** | **Total** | **Perpetual Securities holders of the Trust** | **Total** |
| | | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| **At 1 Oct 2016** | | 1,202,801 | (23,482) | 60,054 | (4,340) | (91,142) | 1,143,891 | - | 1,143,891 |
| Total return for the Period, net of tax | | - | - | 15,332 | - | - | 15,332 | - | 15,332 |
| Total return for the Period attributable to Perpetual Securities holders | | - | - | (1,122) | - | - | (1,122) | - | (1,122) |
| Other comprehensive income | | | | | | | | | |
| Effective portion of changes in fair value change of cash flow hedges | | - | - | - | 5,350 | - | 5,350 | - | 5,350 |
| Net change in fair value of cash flow hedges reclassified to total return | | - | - | - | (902) | - | (902) | - | (902) |
| Foreign currency translation differences | | - | - | - | - | (20,527) | (20,527) | - | (20,527) |
| Total comprehensive income for the Period, net of tax | | - | - | - | 4,448 | (20,527) | (16,079) | - | (16,079) |
| Contributions by and distributions to Stapled Securityholders | | | | | | | | | |
| Issue costs | | - | (2,336) | - | - | - | (2,336) | - | (2,336) |
| REIT Manager's management fee paid in Stapled Securities | | 3,381 | - | - | - | - | 3,381 | - | 3,381 |
| Other management fee paid in Stapled Securities | | 1,518 | - | - | - | - | 1,518 | - | 1,518 |
| Property management fee paid in Stapled Securities | | 2,956 | - | - | - | - | 2,956 | - | 2,956 |
| Acquisition fee paid in Stapled Securities | | 2,447 | - | - | - | - | 2,447 | - | 2,447 |
| Rights Issue | | 266,254 | - | - | - | - | 266,254 | - | 266,254 |
| Distributions to Stapled Securityholders | | - | - | (42,873) | - | - | (42,873) | - | (42,873) |
| Total contributions by and distributions to Stapled Securityholders | | 276,556 | (2,336) | (42,873) | - | - | 231,347 | - | 231,347 |
| **Stapled Securityholders' funds at 31 Dec 2016** | | **1,479,357** | **(25,818)** | **31,391** | **108** | **(111,669)** | **1,373,369** | **-** | **1,373,369** |
| **At 1 Oct 2016** | | - | - | - | - | - | - | 100,259 | 100,259 |
| Contributions by and distributions to Perpetual Securities holders | | | | | | | | | |
| Issue expenses | | - | - | - | - | - | - | 20 | 20 |
| Total return for the Period attributable to Perpetual Securities holders | | - | - | - | - | - | - | 1,122 | 1,122 |
| Distribution to Perpetual Securities holders | | - | - | - | - | - | - | (2,243) | (2,243) |
| **At 31 Dec 2016** | | - | - | - | - | - | - | 99,158 | 99,158 |
| **Perpetual Securities holders' funds at 31 Dec 2016** | | **-** | **-** | **-** | **-** | **-** | **-** | **99,158** | **99,158** |
| **At 31 Dec 2016** | | **1,479,357** | **(25,818)** | **31,391** | **108** | **(111,669)** | **1,373,369** | **99,158** | **1,472,527** |

**1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)**

| | Note | Attributable to Stapled Securityholders of the Trust | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Stapled securities in issue | Issue costs | Revenue reserves | Hedging reserve | Foreign currency translation reserve | Total | Perpetual Securities holders of the Trust | Total |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **FHT** | | | | | | | | | |
| **At 1 Oct 2015** | | 1,185,539 | (23,686) | 63,280 | 6,599 | (59,450) | 1,172,282 | - | 1,172,282 |
| Total return for the Period, net of tax | | - | - | 20,317 | - | - | 20,317 | - | 20,317 |
| Other comprehensive income | | | | | | | | | |
| Effective portion of changes in fair value change of cash flow hedges | | - | - | - | 2,414 | - | 2,414 | - | 2,414 |
| Net change in fair value of cash flow hedges reclassified to total return | | - | - | - | (609) | - | (609) | - | (609) |
| Foreign currency translation differences | | - | - | - | - | (4,163) | (4,163) | - | (4,163) |
| Total comprehensive income for the Period, net of tax | | - | - | - | 1,805 | (4,163) | (2,358) | - | (2,358) |
| Contributions by and distributions to Stapled Securityholders | | | | | | | | | |
| REIT Manager's management fee paid in Stapled Securities | | 4,016 | - | - | - | - | 4,016 | - | 4,016 |
| Other management fee paid in Stapled Securities | | 4,201 | - | - | - | - | 4,201 | - | 4,201 |
| Distributions to Stapled Securityholders | | - | - | (21,539) | - | - | (21,539) | - | (21,539) |
| Total contributions by and distributions to Stapled Securityholders | | 8,217 | - | (21,539) | - | - | (13,322) | - | (13,322) |
| **At 31 Dec 2015** | | **1,193,756** | **(23,686)** | **62,058** | **8,404** | **(63,613)** | **1,176,919** | **-** | **1,176,919** |

**1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)**

| | | Attributable to Stapled Securityholders of the Trust | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **FH-REIT** | **Note** | **Stapled securities in issue** | **Issue costs** | **Revenue reserves** | **Hedging reserve** | **Foreign currency translation reserve** | **Total** | **Perpetual Securities holders of the Trust** | **Total** |
| | | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| **At 1 Oct 2016** | | 1,202,791 | (23,482) | 60,074 | (4,340) | (91,142) | 1,143,901 | - | 1,143,901 |
| Total return for the Period, net of tax | | - | - | 16,856 | - | - | 16,856 | - | 16,856 |
| Total return for the Period attributable to Perpetual Securities holders | | - | - | (1,122) | - | - | (1,122) | - | (1,122) |
| Other comprehensive income | | | | | | | | | |
| Effective portion of changes in fair value change of cash flow hedges | | - | - | - | 5,350 | - | 5,350 | - | 5,350 |
| Net change in fair value of cash flow hedges reclassified to total return | | - | - | - | (902) | - | (902) | - | (902) |
| Foreign currency translation differences | | - | - | - | - | (20,529) | (20,529) | - | (20,529) |
| Total comprehensive income for the Period, net of tax | | - | - | - | 4,448 | (20,529) | (16,081) | - | (16,081) |
| Contributions by and distributions to Stapled Securityholders | | | | | | | | | |
| Issue costs | | - | (2,331) | - | - | - | (2,331) | - | (2,331) |
| REIT Manager's management fee paid in Stapled Securities | | 3,381 | - | - | - | - | 3,381 | - | 3,381 |
| Other management fee paid in Stapled Securities | | 1,518 | - | - | - | - | 1,518 | - | 1,518 |
| Property management fee paid in Stapled Securities | | 2,956 | - | - | - | - | 2,956 | - | 2,956 |
| Acquisition fee paid in Stapled Securities | | 2,413 | - | - | - | - | 2,413 | - | 2,413 |
| Rights Issue | | 256,898 | - | - | - | - | 256,898 | - | 256,898 |
| Distributions to Stapled Securityholders | | - | - | (42,873) | - | - | (42,873) | - | (42,873) |
| Total contributions by and distributions to Stapled Securityholders | | 267,166 | (2,331) | (42,873) | - | - | 221,962 | - | 221,962 |
| **Stapled Securityholders' funds at 31 Dec 2016** | | **1,469,957** | **(25,813)** | **32,935** | **108** | **(111,671)** | **1,365,516** | **-** | **1,365,516** |
| **At 1 Oct 2016** | | - | - | - | - | - | - | 100,259 | 100,259 |
| Contributions by and distributions to Perpetual Securities holders | | | | | | | | | |
| Issue expenses | | - | - | - | - | - | - | 20 | 20 |
| Total return for the Period attributable to Perpetual Securities holders | | - | - | - | - | - | - | 1,122 | 1,122 |
| Distribution to Perpetual Securities holders | | - | - | - | - | - | - | (2,243) | (2,243) |
| **At 31 Dec 2016** | | - | - | - | - | - | - | 99,158 | 99,158 |
| **Perpetual Securities holders' funds at 31 Dec 2016** | | **-** | **-** | **-** | **-** | **-** | **-** | **99,158** | **99,158** |
| **At 31 Dec 2016** | | **1,469,957** | **(25,813)** | **32,935** | **108** | **(111,671)** | **1,365,516** | **99,158** | **1,464,674** |

**1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)**

| | Note | Attributable to Stapled Securityholders of the Trust | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Stapled securities in issue | Issue costs | Revenue reserves | Hedging reserve | Foreign currency translation reserve | Total | Perpetual Securities holders of the Trust | Total |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **FH-REIT** | | | | | | | | | |
| **At 1 Oct 2015** | | 1,185,529 | (23,686) | 63,282 | 6,599 | (59,450) | 1,172,274 | - | 1,172,274 |
| Total return for the Period, net of tax | | - | - | 20,318 | - | - | 20,318 | - | 20,318 |
| Other comprehensive income | | | | | | | | | |
| Effective portion of changes in fair value change of cash flow hedges | | - | - | - | 2,414 | - | 2,414 | - | 2,414 |
| Net change in fair value of cash flow hedges reclassified to total return | | - | - | - | (609) | - | (609) | - | (609) |
| Foreign currency translation differences | | - | - | - | - | (4,163) | (4,163) | - | (4,163) |
| Total comprehensive income for the Period, net of tax | | - | - | - | 1,805 | (4,163) | (2,358) | - | (2,358) |
| Contributions by and distributions to Stapled Securityholders | | | | | | | | | |
| REIT Manager's management fee paid in Stapled Securities | | 4,016 | - | - | - | - | 4,016 | - | 4,016 |
| Other management fee paid in Stapled Securities | | 4,201 | - | - | - | - | 4,201 | - | 4,201 |
| Distributions to Stapled Securityholders | | - | - | (21,539) | - | - | (21,539) | - | (21,539) |
| Total contributions by and distributions to Stapled Securityholders | | 8,217 | - | (21,539) | - | - | (13,322) | - | (13,322) |
| **At 31 Dec 2015** | | **1,193,746** | **(23,686)** | **62,061** | **8,404** | **(63,613)** | **1,176,912** | **-** | **1,176,912** |

**1 (d) (i) Statements of Changes in Stapled Securityholders' Funds (Cont'd)**

| | | Attributable to Stapled Securityholders of the Trust | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Stapled securities in issue | Issue costs | Revenue reserves | Hedging reserve | Foreign currency translation reserve | Total | Perpetual Securities holders of the Trust | Total |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **FH-BT** | | | | | | | | | |
| **At 1 Oct 2016** | | 10 | - | (20) | - | - | (10) | - | (10) |
| Total return for the Period, net of tax | | - | - | (817) | - | - | (817) | - | (817) |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation differences | | - | - | - | - | (8) | (8) | - | (8) |
| Contributions by and distributions to Stapled Securityholders | | | | | | | | | |
| Issue costs | | - | (5) | - | - | - | (5) | - | (5) |
| Rights Issue | | 9,356 | - | - | - | - | 9,356 | - | 9,356 |
| Acquisition fee paid in Stapled Securities | | 34 | - | - | - | - | 34 | | 34 |
| Total contributions by and distributions to Stapled Securityholders | | 9,390 | (5) | - | - | - | 9,385 | - | 9,385 |
| **Stapled Securityholders' funds at 31 Dec 2016** | | **9,400** | **(5)** | **(837)** | **-** | **(8)** | **8,550** | **-** | **8,550** |

| | | Attributable to Stapled Securityholders of the Trust | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Stapled securities in issue | Issue costs | Revenue reserves | Hedging reserve | Foreign currency translation reserve | Total | Perpetual Securities holders of the Trust | Total |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **FH-BT** | | | | | | | | | |
| **At 1 Oct 2015** | **(a)** | 10 | - | (2) | - | - | 8 | - | 8 |
| Total return for the Period, net of tax | | - | - | (1) | - | - | (1) | - | (1) |
| **At 31 Dec 2015** | | **10** | **-** | **(3)** | **-** | **-** | **7** | **-** | **7** |

**1 (d) (ii) Details of Changes in Issued and Issuable Stapled Securities**

| | Note | FHT | |
|---|---|---|---|
| | | 1Q 2017 | 1Q 2016 |
| | | 1 Oct 2016 to 31 Dec 2016 | 1 Oct 2015 to 31 Dec 2015 |
| | | No. of Stapled Securities | No. of Stapled Securities |
| **Balance at beginning of the Period** | | 1,379,841,506 | 1,357,378,521 |
| - As payment of REIT Manager's management fee | | 4,712,669 | 5,244,952 |
| - As payment of other management fee | | 2,146,720 | 1,273,230 |
| - As payment of property management fee | | 4,063,849 | 4,129,367 |
| - As payment of acquisition fee | | 4,048,606 | - |
| - Rights Issue | | 441,549,281 | - |
| **Issued Stapled Securities at the end of the Period** | | 1,836,362,631 | 1,368,026,070 |
| **Issuable Stapled Securities** | | | |
| As payment of REIT Manager's management fee | **(a)** | 1,791,551 | 2,748,072 |
| As payment of Trustee-Manager's management fee | **(b)** | 12,920 | - |
| As payment of other management fee | **(c)** | 884,738 | 1,040,122 |
| As payment of property management fee | **(a)** | 2,140,469 | 2,099,276 |
| **Total issued and issuable Stapled Securities** | | **1,841,192,309** | **1,373,913,540** |

**Footnotes:**

(a) This represents 100% of the REIT Manager's base management fee and property management fee payable in Stapled Securities. With effect from 1Q FY2017, the REIT Manager's incentive fee will be paid once a year after the financial year-end.

(b) This represents 100% of the Trustee-Manager's base management fee payable in Stapled Securities. With effect from 1Q FY2017, the Trustee-Manager's performance fee will be paid once a year after the end of the financial year.

(c) This represents 100% of the MIT Manager's base management fee payable in Stapled Securities. With effect from 1Q FY2017, the MIT Manager's performance fee will be paid once a year after the end of the financial year.

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the financial year ended 30 September 2016 except for the adoption of new or revised FRSs that are mandatory for the financial year beginning on or after 1 October 2016. Such adoption has no significant impact on the financial position or performance of FHT for this reporting period.

**5** **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There has been no change in the accounting policies and methods of computation adopted by FHT for the current reporting period compared with the audited financial statements as at 30 September 2016, except for the adoption of new or revised FRSs that are mandatory for financial year beginning on or after 1 October 2016. The adoption of these FRSs has no significant impact on the financial position or performance of FHT as at 31 December 2016 and for the quarter ended on that day.

**6** **Earnings per Stapled Security ("EPS") and Distribution per Stapled Security ("DPS") for the financial period ended 31 December 2016**

**Group earnings per stapled security**

| | Note | FHT | | |
|---|---|---|---|---|
| | | 1Q 2017 | 1Q 2016 | 1Q 2016 |
| | | 1 Oct 2016 to 31 Dec 2016 | 1 Oct 2015 to 31 Dec 2015 [(b)] As restated | 1 Oct 2015 to 31 Dec 2015 As previously reported |
| Total return for the Period after tax (S$'000) | | 15,332 | 20,317 | 20,317 |
| Less: Total return for the Period after tax attributable to Perpetual Securities holders (S$'000) | | (1,122) | - | - |
| **Total return for the Period after tax attributable to Stapled Securityholders (S$'000)** | | **14,210** | **20,317** | **20,317** |
| **Basic EPS** | | | | |
| Weighted average number of Stapled Securities in issue | (a) | 1,753,734,385 | 1,437,464,747 | 1,364,206,840 |
| EPS based on weighted average number of Stapled Securities in issue (cents) | | 0.81 | 1.41 | 1.48 |
| **Dilutive EPS** | | | | |
| Weighted average number of Stapled Securities in issue | (a) | 1,843,228,507 | 1,437,464,747 | 1,364,206,840 |
| EPS based on weighted average number of Stapled Securities in issue (cents) | | 0.77 | 1.41 | 1.48 |

**Footnotes:**

(a) The weighted average number of Stapled Securities is weighted for Stapled Securities in 1Q 2017, 1Q 2016 respectively.

(b) The weighted average number of Stapled Securities and EPS have been restated to reflect the effect of bonus element pursuant to the Rights Issue.

**6 Earnings per Stapled Security ("EPS") and Distribution per Stapled Security ("DPS") for the financial period ended 31 December 2016 (Cont'd)**

**Group distribution per stapled security**

| | FHT | | |
|---|---|---|---|
| | 1Q 2017 | 1Q 2016 | |
| | 1 Oct 2016 to 31 Dec 2016 | 1 Oct 2015 to 31 Dec 2015 | |
| | | As restated [(b)] | As previously reported |
| Total number of issued and issuable Stapled Securities at end of Period | 1,841,192,309 [(a)] | 1,447,692,697 | 1,373,913,540 |
| Distribution to Stapled Securityholders (S$'000) | 24,411 | 23,676 | 23,676 |
| DPS based on the total number of Stapled Securities entitled to distribution (cents) | 1.3258 | 1.6354 | 1.7232 |

**Footnotes:**

(a) The computation of DPS for the periods are based on the number of Stapled Securities entitled to distribution. This comprises:

(i) The number of Stapled Securities in issue as at 31 December 2016 of 1,836,362,631; and

(ii) The estimated number of Stapled Securities to be issued to the REIT Manager, Trustee-Manager, MIT Manager and Property Manager as consideration for base management fee and property management fee payable for the period from 1 October 2016 to 31 December 2016 of 4,829,678.

** As provided for in the trust deed dated 12 June 2014 constituting FH-REIT and in the trust deed dated 20 June 2014 constituting FH-BT, the price of a Stapled Security issued shall be computed based on the volume weighted average price of a Stapled Security for the last ten business days immediately preceding the relevant financial period of which the fee accrues.

The computation of DPS for 1Q 2017 is presented for illustrative purpose only. FHT makes distributions on a semi-annual basis and the distributions are payable by the REIT Manager and Trustee-Manager within 90 days from the end of the said semi-annual period.

(b) The number of Stapled Securities entitled for distribution and DPS have been restated to reflect the effect of bonus element pursuant to the Rights Issue.

**7** (i) **Group net asset value ("NAV") per stapled security based on stapled securities in issue at the end of the period**

| | FHT | |
|---|---|---|
| | **As at 31 Dec 2016** | **As at 30 Sep 2016** |
| Number of Stapled Securities issued at end of the Period | 1,836,362,631 | 1,379,841,506 |
| Net asset value (S$'000) | 1,373,369 | 1,143,891 |
| Net asset value per stapled security (cents) | 74.79 | 82.90 |

(ii) **Group net tangible asset ("NTA") per stapled security based on stapled securities in issue at the end of the period**

| | FHT | |
|---|---|---|
| | **As at 31 Dec 2016** | **As at 30 Sep 2016** |
| Number of Stapled Securities issued at end of the Period | 1,836,362,631 | 1,379,841,506 |
| Net tangible asset (S$'000) | 1,373,369 | 1,143,891 |
| Net tangible asset value per stapled security (cents) | 74.79 | 82.90 |

**8 Review of performance**

**(a) 1Q 2017 VS 1Q 2016**

| | | FH-REIT | | | FH-BT | | |
|---|---|---|---|---|---|---|---|
| | | Master Lessees - Gross Operating Revenue | | | Gross Operating Revenue | | |
| | | 1Q 2017 | 1Q 2016 | | 1Q 2017 | 1Q 2016 | |
| | | 1 Oct 2016 to 31 Dec 2016 | 1 Oct 2015 to 31 Dec 2015 | Change | 1 Oct 2016 to 31 Dec 2016 | 1 Oct 2015 to 31 Dec 2015 | Change |
| | | LC$'000 | LC$'000 | % | LC$'000 | LC$'000 | % |
| Singapore | SGD | 21,670 | 20,826 | 4.1 | - | - | N/A |
| Malaysia | MYR | 24,274 | 26,634 | (8.9) | - | - | N/A |
| Japan | JPY | 1,762,465 | 1,823,835 | (3.4) | - | - | N/A |
| Australia [(a)] | AUD | 26,069 | 25,051 | 4.1 | 6,886 | N/A | NM |
| United Kingdom | GBP | 6,082 | 6,050 | 0.5 | - | - | N/A |
| Germany | EUR | 2,953 | N/A | NM | - | - | N/A |

| | | FH-REIT | | | FH-BT | | |
|---|---|---|---|---|---|---|---|
| | | Master Lessees - Gross Operating Profit | | | Gross Operating Profit | | |
| | | 1Q 2017 | 1Q 2016 | | 1Q 2017 | 1Q 2016 | |
| | | 1 Oct 2016 to 31 Dec 2016 | 1 Oct 2015 to 31 Dec 2015 | Change | 1 Oct 2016 to 31 Dec 2016 | 1 Oct 2015 to 31 Dec 2015 | Change |
| | | LC$'000 | LC$'000 | % | LC$'000 | LC$'000 | % |
| Singapore | SGD | 8,589 | 8,136 | 5.6 | - | - | N/A |
| Malaysia | MYR | 7,748 | 9,681 | (20.0) | - | - | N/A |
| Japan | JPY | 551,222 | 538,215 | 2.4 | - | - | N/A |
| Australia [(a)] | AUD | 11,387 | 11,352 | 0.3 | 3,551 | N/A | NM |
| United Kingdom | GBP | 3,338 | 3,456 | (3.4) | - | - | N/A |
| Germany | EUR | 1,398 | N/A | NM | - | - | N/A |

**Footnotes:**

(a) The Gross Operating Revenue and Gross Operating Profit of Novotel Melbourne on Collins are excluded from FH-REIT and reflected under FH-BT.

**Operational Performance**

**(a) Review of performance for 1Q 2017 compared to 1Q 2016**

In 1Q FY2017, the Australia portfolio recorded a significant increase of 31.6% in both gross operating revenue ("GOR") and gross operating profit (“GOP”), boosted by the addition of Novotel Melbourne on Collins. Revenue per available room (“RevPAR”) for the portfolio increased 2% yoy, with RevPAR for Sydney and Melbourne increasing by 7.9% and 10.0% respectively. Both cities continue to benefit from a busy events calendar, with Sydney in particular benefitting from the completion of the International Convention Centre in December 2016.

The Singapore portfolio reported GOR and GOP growth of 4.1% and 5.6% respectively in 1Q FY2017. The higher GOR and GOP was mainly due to the return of full inventory in InterContinental Singapore. Following the completion of its renovation, InterContinental Singapore’s average daily rate (“ADR”) and food and beverage revenues are improving. It is making progress in reaching its optimal performance. On the other hand, Fraser Suites Singapore turned in lower RevPAR for the quarter due to continued weakness in corporate demand from the oil and gas and banking sectors. It is actively reaching out to other sectors such as engineering, government and manufacturing.

GOR of the UK portfolio was stable with a 0.5% increase yoy, despite the weaker business sentiment following Brexit. GOP, however, was 3.4% lower yoy as the properties were impacted by an approximately 3% increase in minimum wage which took effect on 1 October 2016.

**8 Review of performance**

**Operational Performance (cont'd)**

**(a) Review of performance for 1Q 2017 compared to 1Q 2016 (cont'd)**

The strengthening of the Japanese yen (up to mid-October 2016) has led to a decline in international arrivals in the Kansai region and resulted in lower occupancy in ANA Crowne Plaza Kobe. However, strong revenue management has allowed the hotel to increase its ADR by 10.6% yoy, resulting in an increase in RevPAR of 2.7%. GOR dropped 3.4% mainly as a result of decline in banquet revenues but astute expense management enabled the hotel to improve GOP by 2.4% yoy.

In 1Q FY2017, RevPAR of The Westin Kuala Lumpur was slightly higher than a year ago on the back of higher occupancy due to stronger transient and corporate demand from industries other than oil & gas. GOR and GOP declined 8.9% and 20.0% respectively due to the weak performance in banquet revenues. The hotel is focusing its efforts on increasing banquet revenue through government and social events.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual result**

A forecast has been previously disclosed in Offer Information Statement dated 20 September 2016 to Stapled Securityholders in connection with the Rights Issue undertaken by FHT in October 2016. Any variance between the forecast and the actual result for the quarter have been disclosed below.

**(a) Consolidated Statements of Total Return and Statements of Comprehensive Income for 1Q 2017 (Actual vs Forecast)**

| | Note | FHT Actual | FHT Forecast | Variance |
|---|---|---|---|---|
| | | 1Q 2017 | | Increase/ |
| | | 1 Oct 2016 to 31 Dec 2016 | | (Decrease) |
| | | S$'000 | S$'000 | % |
| **Gross revenue** | (a) | **39,554** | **38,345** | **3.2** |
| Property operating expenses | (b) | (9,039) | (8,208) | 10.1 |
| **Net property income** | | **30,515** | **30,137** | **1.3** |
| Depreciation | | (1,591) | (1,203) | 32.3 |
| Acquisition fee paid in Stapled Securities | | (2,447) | (2,423) | 1.0 |
| REIT Manager's management fee | (c) | (1,400) | (2,167) | (35.4) |
| Trustee-Manager's management fee | | (19) | (8) | 137.5 |
| Other management fee | (d) | (1,251) | (1,052) | 18.9 |
| Trustees' fee | | (124) | (122) | 1.6 |
| Other trust expenses | (e) | (1,267) | (1,015) | 24.8 |
| Non-capitalisable expenses in relation to asset acquisition and Rights Issue | (f) | (493) | (1,191) | (58.6) |
| Finance income | | | - | 100.0 |
| Amortisation of debt upfront costs | | | - | 100.0 |
| Finance costs, net | (g) | (4,673) | (5,132) | (8.9) |
| **Total return before foreign exchange differences, fair value changes and tax** | | **17,250** | **15,824** | **9.0** |
| Foreign exchange gain, net | | 729 | - | 100.0 |
| Net change in fair value of property, plant and equipment | (h) | (11,941) | (13,499) | (11.5) |
| Net change in fair value of derivative financial instruments | | 10,882 | - | 100.0 |
| Realised loss on derivative financial instruments, net | | (323) | - | 100.0 |
| **Total return for the Period before tax** | | **16,597** | **2,325** | **613.8** |
| Taxation | | (1,265) | (1,410) | (10.3) |
| **Total return for the Period after tax** | | **15,332** | **915** | **1,575.6** |
| Non-tax deductible items and other adjustments | | 10,201 | 23,303 | **(56.2)** |
| **Income available for distribution** | | **25,533** | **24,218** | **5.4** |
| **Income available for distribution attributable to:** | | | | |
| - Stapled Securityholders | | 24,411 | 23,098 | 5.7 |
| - Perpetual Securities holders | | 1,122 | 1,122 | 0.0 |
| | | **25,533** | **24,219** | **5.4** |

**(b) Group earnings per stapled security**

| | FHT Actual | FHT Forecast | Variance |
|---|---|---|---|
| | 1Q 2017 | | % |
| Total number of issued and issuable Stapled Securities at end of Period (million) | 1,841 | 1,841 | (0.0) |
| Distribution to Stapled Securityholders (S$'000) | 24,411 | 23,098 | 5.7 |
| DPS based on the total number of Stapled Securities entitled to distribution (cents) | 1.3258 | 1.2545 | 5.7 |

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual result (Cont'd)**

**(b) Performance review (Actual vs Forecast)**

**Footnotes:**

(a) For the financial quarter ended 31 December 2016 ("1Q FY2017"), Gross Revenue ("GR") increased by 3.2% to $39.6 million while Net Property Income ("NPI") increased by 1.3% to $30.5 million compared to the forecast. Distributable Income attributable to Stapled Securityholders ("DI") was $1.3 million (5.7%) higher that the forecasted DI of $23.1 million. Consequently, the 1Q FY2017 of 1.3258 cents was 5.7% higher than the forecasted DPS of 1.2545 cents.

In 1Q FY2017, Australia portfolio (excluding Novotel Melbourne on Collins) reported an average Revenue Per Available Room ("RevPAR") growth of 3.1% compared to forecast, driven by higher occupancy of 94.2%.

The GOR of Novotel Melbourne on Collins was approximately AUD6.9 million, which was 19.5% higher than the forecasted GOR of approximately AUD5.8 million This was largely attributable to the earlier completion of the acquisition of Novotel Melbourne on Collins on 20 October 2016 as compared to the forecasted completion date of 1 November 2016.

The Singapore portfolio reported a RevPAR of SGD244 in 1Q FY2017 as compared to the forecasted RevPAR of approximately SGD253.

The UK portfolio turned in a RevPAR of approximately GBP97, which is 1.2% higher than the forecasted RevPAR for 1Q FY2017.

In 1Q FY2017, ANA Crowne Plaza Kobe registered RevPAR of approximately JPY12,258 as compared to the forecasted RevPAR of approximately JPY13,050.

In 1Q FY2017, RevPAR of The Westin Kuala Lumpur was approximately MYR391 as compared to the forecasted RevPAR of MYR363. This was largely due to higher occupancy rate of 74.9% compared to the forecasted occupancy rate of 68.8%.

In 1Q FY2017, Maritim Hotel Dresden's RevPAR and GOP was largely in line with the forecast.

(b) The higher Property operating expenses and depreciation expense is largely attributable to Novotel Melbourne on Collins. As the acquisition was completed earlier, FHT recorded higher GOR as well as property operating expenses during 1Q FY2017. Depreciation of the fixed assets and Novotel Melbourne on Collins building was also higher for the same reason.

(c) The REIT Manager's management fee was lower than forecasted largely due to the base fee adjustment in 1Q FY2017 as announced on 31 October 2016.

(d) Other management fee is higher than the forecast due to higher base and performance fee payable to MIT Manager as a result of higher earnings from the Australia portfolio than forecasted.

(e) Other trust expenses was higher than the forecast due to certain professional and legal expenses that were not included in the forecast.

(f) For better comparison, the forecasted stamp duties for the acquisition of Novotel Melbourne on Collins of $13.5 million has been reclassified from "non-capitalisable expenses in relation to asset acquisition and rights issue" to "net change in fair value of property, plant and equipment".

The actual non-capitalisable expenses of $0.49 million was lower than its initial estimate of $1.2 million.

(g) The lower net finance costs is mainly attributable to net interest income arising from cross currency swap contracts.

(h) Stamp duties paid are initially capitalised as part of the net book value of Novotel Melbourne on Collins. The net change in fair value of property, plant and equipment of $11.9m arose when a comparison was made between the net book value and fair value of Novotel Melbourne on Collins as at the end of the quarter. The lower net change in fair value compared against adjusted forecast of $13.5 million is due to a revaluation surplus recognised in the current quarter.

**10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

For January to November 2016, Tourism Australia reported a yoy growth of 11.4% in international arrivals to 7.3 million, with Chinese visitors growing 18.0% yoy. Sydney has benefitted from a combination of steady corporate and leisure demand. The outlook for its hospitality market remains strong, with further strengthening of RevPAR expected as demand continues to outstrip supply growth[1]. Like Sydney, Melbourne's calendar of major global events is a draw card for visitors to the city and demand is expected to stay firm[2].

Singapore Tourism Board reported a 7.9% increase in tourist arrivals for January to November 2016, fuelled in part by a surge in arrivals of Chinese and Indonesian visitors. As a leading MICE destination, Singapore continues to grow its pipeline of events including Bio Pharma Asia Convention 2017, IoT Asia, IMDEX Asia 2017, BroadcastAsia 2017, CommunicAsia 2017 and ITB Asia 2017. However, soft corporate demand, pressure arising from supply of new rooms and increasing regional competition are expected to weigh on the hospitality sector.

According to Visit Britain, inbound visitors to the UK for January to October 2016 were up 2% yoy to 31.4 million. While Brexit and the subsequent currency fluctuations have further enhanced the UK's attractiveness to international tourists as it became a cheaper destination, the outlook for 2017 is less transparent due to the knock-on economic effects that the invoking of Article 50 could have on the market[3]. On the other hand, the outlook for Edinburgh and Glasgow is expected to remain positive given the rising confidence in the Scottish economy and growing tourism demand in both cities[4].

For January to December 2016, Japan National Tourism Organization reported growth in the number of foreign visitors, with Chinese visitors being the largest group by country. Following the US Federal Reserve's decision to raise its benchmark interest rate in December 2016, Japanese yen has been depreciating against the US dollar. In the short term, the Japanese tourism market is likely to be supported by the weaker currency, which tends to deliver benefits for the hotel sector[5].

According to Tourism Malaysia, tourist arrivals increased 3.6% yoy to 19.7 million for January to September 2016, with Chinese tourists growing 24.8% yoy. To further boost Chinese tourist arrivals, Tourism Malaysia has launched the Malaysia Tourism Pavilion on online platform Alitrip, facilitating easy access to travel and tourism products and services for Chinese travellers. Kuala Lumpur – predominantly a corporate market with strong weekday business – could face oversupply in the short to medium term as a significant supply of new hotel rooms and serviced apartments is expected to come on stream till 2020[6].

For January to November 2016, the Federal Statistical Office of Germany reported a 3% increase in the number of domestic and foreign overnight stays to 420.2 million[7]. However, in Dresden, the combined number of domestic and foreign visitors declined marginally by 0.2% to 1.7 million for January to October 2016[8]. The capital city of the Free State of Saxony continues to enjoy a growing pipeline of MICE events for 2017 which include the International Symposium Additive Manufacturing, HAUS (construction tradeshow), International Conference on the European Energy Market, Lab Supply Dresden and Cryogenics Conferences.

[1] JLL – Hotel Destinations Asia Pacific – October 2016

[2] CBRE Research – MarketView Australia Hotels – Q3 2016

[3] Savills – UK Hotel Investments – Q4 2016

[4] JLL Hotel Intelligence, September 2016

[5] JLL – Softer yen supports investment in Japan – 10 January 2017

[6] JLL – Hotel Destinations Asia Pacific – October 2016

[7] Tourism-Review.com – Tourism in Germany continues growing – 17 Jan 2017.

[8] Dresden.de

**11 Distributions**

**(a) Current financial period**

Any distribution declared for the current financial period?

No.

**(b) Corresponding period of the immediately preceding financial year**

Any distribution declared for the corresponding period of the immediately preceding financial period?

Not applicable

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12 If no dividend has been declared/recommended, a statement to that effect**

Refer to paragraph 11.

**13 If the Group has obtained a general mandate from holders for Interested Party Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, please make a statement to that effect.**

FHT has not obtained a general mandate from Stapled Securityholders for IPTs.

**14 Use of proceeds**

**(i) Use of Rights Issue proceeds raised on 17 October 2016**

The REIT Manager being the manager of FH-REIT and the Trustee-Manager being manager of FH-BT (collectively, the "Managers") had on 9 September 2016 launched the Rights Issue and had on 20 October 2016, 27 October 2016, 25 November 2016 and 29 December 2016 made announcements in respect of the use of proceeds from the Rights Issue[1].

The Managers will make the appropriate announcements on any material development on the use of the Rights Issue proceeds in compliance with the listing requirements of the SGX-ST, as and when required.

[1] Please refer to FHT's announcements on the SGX-ST dated 20 October 2016, 27 October 2016, 25 November 2016 and 29 December 2016 for further details.

**15 Additional information - FHT's interests in Australia Land Trust**

Australia's foreign investment regime was substantially re-written and amended on and from 1 December 2015.

***Notifiable actions (i.e. mandatory notification)***

Investors who are "foreign persons"[i] that acquire Stapled Securities are required under the Australian Foreign Acquisitions and Takeovers Act 1975 ("FATA") or the Australian Government's Foreign Investment Policy to notify and receive a prior statement of no objection ("FIRB Clearance") of their investment in FHT under Australia's foreign investment regime from the Australian Treasurer through the Foreign Investment Review Board if any of the circumstances set out below apply at the time the Stapled Securities are acquired:

(a) if either FH-REIT or FH-BT is considered to be an "Australian Land Trust"[ii] ("ALT") at the time of acquisition, all foreign persons acquiring Stapled Securities (including existing holders of Stapled Securities acquiring additional Stapled Securities) will require FIRB Clearance unless an exemption applies (see below); and

(b) any investor that is a Foreign Government Investor[iii] acquiring a "direct interest"[iv] in FHT will require FIRB Clearance at the time of acquisition, regardless of whether FH-REIT or FH-BT is considered to be an ALT or whether FHT has gross Australian assets in excess of AUD252.0million.

***Exemptions from ALT requirements***

The FATA, as recently amended, contains two relevant exemptions from the requirement to obtain FIRB Clearance that would otherwise apply if FH-REIT or FH-BT was considered to be an ALT:

(a) the relevant person's interest in FH-REIT or FH-BT would not be valued in excess of a specified threshold prescribed under the FATA (at the date of this announcement, the threshold prescribed under the FATA is AUD252.0m, unless the ALT has 'sensitive' land holdings, in which case the threshold is AUD55.0m)[v]; and

(b) the relevant person, together with associates, is acquiring an interest of less than 10% in FHT and will not be in a position to influence or participate in the central management and control of the land entity or to influence, participate in or determine the policy of the land entity.[vi]

***Significant actions (i.e. voluntary notification)***

If FHT has gross Australian assets in excess of a specified threshold prescribed under the FATA (as at the date of this announcement, the threshold prescribed under the FATA is AUD252.0 million for most private foreign investors)[vii] at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a Substantial Interest in FHT or have a Substantial Interest[viii] and increase their holding, should note that, while prior notification and FIRB Clearance are not required, the Australian Treasurer still has the power to make adverse orders under the FATA if such transaction is considered to be contrary to Australia's national interest.[ix] In such case, it may be prudent for an Investor to seek FIRB Clearance on a voluntary basis.

As at 31 December 2016, the value of the Australian assets comprised in FHT's portfolio is 30.93% of the total asset value of FHT. Consequently, FHT is not considered to be an ALT.

As at 31 December 2016, FHT has gross Australian assets of approximately AUD 701.0 million, which is above AUD252.0 million.

Any Investor acquiring Stapled Securities on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

**15 Additional information - FHT's interests in Australia Land Trust *(Cont'd)***

i A "**foreign person**" is now defined as:

- an individual not ordinarily resident in Australia; or
- a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest; or
- a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest; or
- the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest; or
- the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest; or
- a foreign government; or
- any other person, or any other person that meets the conditions, prescribed by the regulations.

[ii] Previously, this was an "**Australian Urban Land Trust Estate**". An ALT is similarly defined, being a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

[iii] A "**foreign government investor**" is now defined to mean:

- a foreign government or separate government entity;
- a corporation or trustee of a trust in which:
  - a foreign government or separate government entity, alone or together with one or more associates, holds a substantial interest (that is, an interest of at least 20%); or
  - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate substantial interest (that is, an interest of at least 40%);
- a general partner of a limited partnership in which:
  - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20%; or
  - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate interest of 40% or more; or
- a corporation, trustee or general partner of a kind described above.

iv A "**direct interest**" is now defined to mean:

- an interest of at least 10% in the entity or business, or
- an interest of at least 5% in the entity or business if the person who acquires the interest has entered a legal arrangement relating to the businesses of the person and the entity or business, or
- an interest of any percentage in the entity or business if the person who has acquired the interest is in a position to:
  - participate or influence the central management and control of the entity or business; or
  - influence, participate or determine the policy of the entity or business.

[v] This is a new exemption that was introduced into the FATA on and from 1 December 2015 and applies in respect of ALTs that have predominantly developed commercial real estate portfolios (i.e. less than 10% residential or vacant commercial land). Previously, there was no applicable monetary threshold. FIRB has also confirmed that it is the value of the interest being acquired, rather than the value of the underlying land that is determinative for the purposes of this exemption. The concept of 'sensitive' land is broad and includes mines and critical infrastructure (for example, an airport or port).

[vi] This exemption reflects the "**passive investor administrative exemption**" that was previously available, and applies where an ALT is listed on an official stock exchange (whether in Australia or not).

[vii] A higher threshold of AUD1,094.0 million applies to foreign persons that are enterprises from the United States, New Zealand, Chile, Japan, South Korea or the People's Republic of China.

[viii] A person holds a "***Substantial Interest***" in a trust if the person together with any one or more associates, holds a beneficial interest in at least 20% of the income or property of the trust. Before 1 December 2015, the threshold was 15%.

[ix] Previously, such an acquisition would have been captured by the mandatory notification regime; it is now captured only by the voluntary notification regime.

**17 Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual**

Frasers Hospitality Asset Management Pte. Ltd., as manager of FH-REIT, and Frasers Hospitality Trust Management Pte. Ltd., as trustee-manager of FH-BT, confirm that they have procured undertakings from all their Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

**18 Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual**

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of each of Frasers Hospitality Asset Management Pte. Ltd. (as REIT manager of FH-REIT) and Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of FH-BT) which may render these financial results for the period from 1 October 2016 to 31 December 2016 to be false or misleading, in any material respect.

**For and on behalf of the Board of Directors of**
Frasers Hospitality Asset Management Pte. Ltd.
Frasers Hospitality Trust Management Pte. Ltd.

Law Song Keng
Director

Choe Peng Sum
Director

**BY ORDER OF THE BOARD**

**Frasers Hospitality Asset Management Pte. Ltd.**
(Company registration no. 201331351D)
As Manager of Frasers Hospitality Real Estate Investment Trust

**Frasers Hospitality Trust Management Pte. Ltd.**
(Company registration no. 201401270M)
As Trustee-Manager of Frasers Hospitality Business Trust

Catherine Yeo
Company Secretary
26 January 2017

**IMPORTANT NOTICE**

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differs materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of average daily room rates and occupancy, changes in operating expenses (including employee wages, benefits and training costs), property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of the Stapled Securities and the income derived from them, may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the REIT Manager, the Trustee-Manager or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of FHT is not necessarily indicative of the future performance of FHT.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.